

**GOVERNMENT OF ANDHRA PRADESH
ABSTRACT**

Industrial Promotion – Industrial Investment Promotion Policy (IIPP) 2005-10 – Extension of time for a period of one year instead of 6 months for allowing the machinery within the approved capacity and to consider 6 calendar months instead of 180 days for filing incentive claim applications, under IIPP 2005-10 policy to Spinning Mills only – Orders- Issued.

INDUSTRIES & COMMERCE (IP) DEPARTMENT

G.O.Ms.No.4

Dated:30-01-2013

Read the following:-

1. G.O.Ms.No.328, Industries & Commerce (IP) Department, Dt:13.12.2005
2. From the A.P Spinning Mills Association, Dt:13.7.2010
3. From the Commissioner of Industries, Hyderabad, Letter No.10/03/10/403, dt:2.04.2011.
4. The State Investment Promotion Committee Meeting held on 16.06.2012
5. The State Investment Promotion Board Meeting held on 27.06.2012

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ORDER:-

In the reference 3rd read above, the Spinning Mills Association represented that the Spinning industry has to be treated as special category for the purpose of implementation of IIPP 2005-10. The Textile industry is undergoing recession all over and it is not possible for the entrepreneur to install all machinery at one go and claim the incentives. As per the operational guidelines of Industrial Investment Promotion Policy (2005-10), the machinery installed within 6 months from the Date of Commencement of Commercial production can only be taken into account for the purpose of providing incentives. But, in case of Spinning industry, it is not possible and viable for any entrepreneur to install all machinery for achieving the approved capacity within 6 months. The Association has requested for extending the time for installing the machinery within the approved project capacity from 6 months to one year. Besides the above, the association requested to consider 6 calendar months instead of 180 days for filing incentive claim applications.

2. The Commissioner of Industries, Hyderabad in the reference 3rd read above has informed that the above issue was placed before the SLC meeting held on 10.05.2010 and 29.01.2011 and SLC examined the issue and decided to submit the proposals to the Government for issue of necessary orders for considering the machinery installed by the Spinning Mills within the approved Project cost by the unit beyond 6 months from the date of commencement of commercial production but within 12 months as a special case. This will also be applicable to pipeline projects under Mega Projects in Textile sector. Further, the SLC has examined the issue and decided to consider 6 calendar months instead of 180 days for filing the claim application for sanction of re-imbursement of power cost as per the operational guidelines under IIPP 2005-10.

3. In the reference 4th read above, the State Investment Promotion Committee & Empowered Committee (SIPC) in its meeting have discussed the above proposal and decided to place the matter before the State Investment Promotion Board (SIPB), with the following recommendations:

- (i) Extension time for one year instead of 6 months to add machinery sanctioned in project cost.
- (ii) To consider 6 calendar months instead of 180 days for filing the claim application.

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4. In the reference 5th read above, the State Investment Promotion Board (SIPB) in its meeting have agreed to the recommendations of SIPC for extension time for one year instead of 6 months to add machinery as per the approved project and also to consider six calendar months instead of 180 days for filing of claim applications pertaining to Spinning industry and recommended the Government to amend the guidelines of IIPP 2005-10.

5. Government after careful examination of the proposal and keeping in view the decision of the State Investment Promotion Board (SIPB), hereby issue the following amendment to the operational guidelines of Industrial Investment Promotion Policy (2005-10) issued in G.O.Ms.No.328, Industries & Commerce (IP) Department, Dt:13.12.2005.

AMENDMENT

6. In the said G.O., under the heading operational guidelines for implementation of scheme of Industrial Investment Promotion Policy (IIPP) 2005-2010.

(1). For guidelines 5.3.1, the following shall be substituted namely:-

- (i) All eligible industrial units shall submit their claims in the prescribed application form given at Annexure-IV for re-imbursement of power cost on quarterly basis within six months from the date of completion of such quarter along with the documents mentioned in the Application to the General Manager, District Industries Centre concerned”
- (ii) In case of Spinning industry, to consider 6 calendar months instead of 180 days for filing the claim application.

(2). For guidelines 8.3.9.5, the following shall be substituted namely:-

- (i) Fixed Assets which form part of project cost but not created within 6 months from the date of commercial production or the date of filing the claim which ever is earlier.
- (ii) In case of Spinning industry, extension of time for one year instead of 6 months to add machinery as per the approved project.

7. The Commissioner of Industries, Andhra Pradesh, Hyderabad shall take necessary action in the matter, accordingly.

8. This order issues with the concurrence of Finance(Expr.I & C) Department vide their U.O No.25888/386/Expr.I & C/2011, Dt:4.11.2011.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**K. PRADEEP CHANDRA,
PRINCIPAL SECRETARY TO GOVERNMENT AND
COMMISSIONER FOR INDUSTRIAL PROMOTION**

To

The Commissioner of Industries, A.P., Hyderabad.

The President A.P Spinning Mills Association, Hyderguda, Hyderabad

Copy to:

The Accountant General, Andhra Pradesh, Hyderabad

The Finance(Expr. I & C) Department / The Energy Dept

The Revenue (CT) Department

The Commissioner of Commercial Taxes, Hyderabad

The Chairman & Managing Director, APTRANSCO, Hyderabad

The Managing Director, APCPDCL Ltd, Hyderabad

The General Manager, District Industries Centre, All District through the Commissioner of Industries, A.P, Hyderabad

P.S to Minister (Major Industries) / P.S to Spl.Chief Secretary, Revenue Dept

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P.S to Prl.Secretary to Government, Revenue (CT) Department

P.S to Prl.Secretary to C.M

P.S to Prl.Secy to Govt, I & CAD Dept

P.S to Prl.Secy to Govt, Energy Dept

P.S to Prl.Secretary & CIP

P.S to Secretary to Government (Legal Affairs)

SC/SF

// FORWARDED:: BY ORDER //

SECTION OFFICER